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Message Text

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11
ACTION EB-11

INFO OCT-01 EA-11 ISO-00 XMB-07 AGR-20 RSC-01 DRC-01 /052 W
---------- 066368
R 220921Z MAR 74
FM AMEMBASSY JAKARTA
TO USDOC WASHDC
SECSTATE WASHDC 1416
INFO AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
AMCONGEN HONG KONG
AMEMBASSY MANILA
AMCONSUL SURABAYA
AMCONSUL MEDAN

UNCLAS JAKARTA 3570

HONG KONG PASS RAND
USDOC FOR MAJOR EXPORT PROJECTS DIVISION
SECSTATE FOR EA/IMS AND EA/EP A. GEBER

E.O. 11652: N/A
TAGS: BEXP, ID, BMED
SUBJ: MTO FERTILIZER: MAJOR PROJECTS TEAM VISIT

REF: A) STATE 043907 B) JAKARTA 3385

1. AT EMBASSY REQUEST, 13 MAN FERTILIZER MISSION VISITED JAKARTA WEEK OF MARCH 11 TO INVESTIGATE OPPORTUNITIES PREVIOUSLY IDENTIFIED BY EMBASSY. MISSION ORGANIZED AND JOINTLY LED BY USDOC MAJOR EXPORT PROJECTS DIVISION (MEPD) AND NATIONAL CONSTRUCTORS ASSOCIATION (NCA). PURPOSE OF MISSION WAS TO DO ADVANCE WORK LEADING TO INDIVIDUAL COMPANY PROPOSALS TO BE SUBMITTED LATER.

2. MISSION PARTICIPANTS INCLUDED FOLLOWING INDIVIDUALS: LEO ENGLESON, USDOC; MAURICE MOSIER, NCA; DON THOMAS, COOPERATIVE FERTILIZERS INT'L.; DON BOSTWICK, CHEMICAL CONSTRUCTION CO.; PETER JENNINGS, FLUOR EASTERN; BOB SCHMELTZ, INTERNATIONAL MINS. & CHEMS.; CHARLES
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HALSELL, J.R. PRITCHARD; PETER DOBI, KELLOGG OVERSEAS

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CONST.; MARVIN WALKER, KELLOGG OVERSEAS CONST.; RENE
MAYER, AGRICO; ANTHONY CHAPMAN, PACIFIC BECHTEL, JOHN GOUDEY,
UNION CARBIDE. NEITHER LOEB RHODES NOR OTHER
FINANCIAL FIRM PARTICIPATED.

3. GROUP RECEIVED DETAILED THREE HOUR BRIEFING BY AMS. MISSION
AND SUBSEQUENTLY MET WITH PRESIDENT P.T. PETROKIMIA, JAMES
SIMANDJUNTAK; PRESIDENT P.T. PURSRI, GEN. KASIM AND
STAFF; MIGAS DIRECTOR OF OIL AND GAS, IR. WIJARSO;
PERTAMINA DIRECTOR OF REFIN & PETROCHEMICALS,
COL. SOEDARNO; AND DIRECTOR GENERAL OF CHEMICAL
INDUSTRIES BRIG. GEN AGUS SUJONO AND STAFF. BALANCE
OF TIME DEVOTED TO INDIVIDUAL COMPANY SPADE WORK.
AT LEAST SIX OF EIGHT PARTICIPATING U.S. FIRMS HAD SOME
PREVIOUS INTERESTS IN INDONESIAN PROJECTS.

4. MISSION HELPED ESTABLISH FOLLOWING: A) PUSRI III
APPARENTLY GOING AHEAD RAPIDLY, PROBABLY WITH KELLOGG AND WITH
IBRD FINANCING; B) PETROKIMIA PHOSPHATE PROJECT NOW
COMPLETELY OPEN TO U.S. PARTICIPATION AS RESULT
REJECTION OF MITSUBISHI PROPOSAL; ASSUMING
REASONABLE BID PRICE, FINANCING WOULD APPEAR CRITICAL
ELEMENT IN THIS PROJECT AT LEAST ONE U.S. FIRM FROM
MISSION INTERESTED; C) WEST JAVA (CIREBON) PLANT
MAY BE ON BACK BURNER WITH FINANCING NOW UNDER
NEGOTIATION WITH JAPANESE (IBRD ASKED TO
WITHDRAW AND AGREED) THUS PROJECT POSSIBLY OPEN TO
U.S. BID AND U.S. FIRM WHO PREVIOUSLY BID ON PROJECT
MAY RENEW PROPOSAL AND MAY REQUEST EXIM FINANCING;
D) ARRANGEMENTS FOR KALIMANTAN II AND OTHER POSSIBLE
PLANTS IN KALIMANTAN OR NORTH SUMATRA NOT YET
DECIDED, BUT LIKELY THAT PHILIPPINES AND MALAYSIA
WILL RECEIVE OUTPUT FROM THESE AREAS.

5. APPARENTLY GAS PRICING STILL BEING DEBATED BY
DIFFERENT GOI AGENCIES AT PRICES RANGING FOR 40 CENTS
RTO MORE THAN $1.

6. WHILE ACTUAL OUTCOME OF MISSION AWAITS RESULTS
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INDIVIDUAL COMPANY PROPOSAL DEVELOPMENT WORK,
COMPANIES SEEMED PLEASED WITH EFFORT. MOST FELT
THAT VISIT: A) HAD IMPORTANT CATALYTIC EFFECT IN
FOCUSING INTERESTS OF COMPANY HEADQUARTERS AND OF
GOI OFFICIALS; B) PROVIDED OPPORTUNITY OBTAIN ANSWERS
TO BASIC QUESTIONS FROM HIGH LEVEL OFFICIALS
IN LESS PARTISAN ATMOSPHERE THAN COMPANIES
OFTEN EXPERIENCE ON OWN; C) AND ENABLED

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PARTICIPANTS DISCOVER POSSIBLE NON-FERTILIZER OPPORTUNITIES OF INTEREST TO THEIR FIRMS DURING COURSE OF VISIT. MEANWHILE, MOSIER OF NCA AND ENGLESON OF MEPBDNCTIVELY GATHERED DATA ON FERTILIZER AND OTHER OPPORTUNITIES WHICH MAY BE OF INTEREST TO FIRMS NOT PRESENT THIS MISSION.

7. SHORTLY AFTER MISSION VISIT EMBASSY RECEIVED INDICATIONS THAT GOI MIGHT BE PREPARED AT LEAST CONSIDER GOI GUARANTEE FOR EXIM FINANCED FERTILIZER PLANTS (REF B). EMBASSY THINKS IT IMPORTANT THIS POSSIBILITY BE ACTIVELY PURSUED AND REQUESTS MEPD SO ENCOURAGE MISSION PARTICIPANTS. EMBASSY BELIEVES THAT EXIM FINANCING COULD BE MOST CRITICAL TO PUSRI III, WEST JAVA, AND PETROKIMIA PROJECTS AND DISCUSSED THIS WITH MOST U.S. FIRMS CONCERNED.

8. PLEASE ALSO REMIND PARTICIPANTS THAT THEY SHOULD PROVIDE OFFICIALS THEY MET HERE WITH BROCHURES AND PROFILES OF THEIR COMPANY'S INTERESTS AND CAPABILITIES. FEW OF THE COMPANIES DIUTTHIS, YET IT IS IMPORTANT MEANS OF HELPING INDONESIANS REMEMBER COMPANY AND ITS AREAS OF EXPERTISE.

9. AIRGRAM FOLLOWS CONTAINING ADDITIONAL DETAILS.
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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740062-0709
From: JAKARTA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19740323/aaaaavgt.tel
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